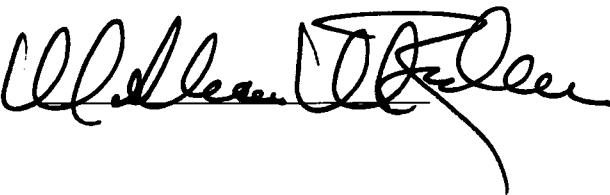


By: 

H.B. No. 1395

A BILL TO BE ENTITLED

AN ACT

relating to the authority of chiropractors to form certain business entities with certain other professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections C and D, Article 2.01, Texas Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas Civil Statutes), are amended to read as follows:

C. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may organize a non-profit corporation under this Act that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

(2) supporting medical education in medical schools through grants or scholarships;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine;

(4) delivering health care to the public; or

1 (5) instructing the public regarding medical science,
2 public health, hygiene, or a related matter.

3 D. When doctors of medicine, osteopathy, ~~[and]~~ podiatry,
4 and chiropractic organize a non-profit corporation that is jointly
5 owned by those practitioners, the authority of each of the
6 practitioners is limited by the scope of practice of the respective
7 practitioners and none can exercise control over the other's
8 clinical authority granted by their respective licenses, either
9 through agreements, articles of incorporation, bylaws, directives,
10 financial incentives, or other arrangements that would assert
11 control over treatment decisions made by the practitioner. The
12 Texas State Board of Medical Examiners, ~~[and]~~ the Texas State Board
13 of Podiatric Medical Examiners, and the Texas Board of Chiropractic
14 Examiners continue to exercise regulatory authority over their
15 respective licenses.

16 SECTION 2. Section 2(B), Texas Professional Association Act
17 (Article 1528f, Vernon's Texas Civil Statutes), is amended to read
18 as follows:

19 (B) Licenses. (1) Except as provided by this subsection,
20 all members of the association shall be licensed to perform the type
21 of professional service for which the association is formed.

22 (2) Doctors of medicine and osteopathy licensed by the
23 Texas State Board of Medical Examiners, ~~[and]~~ podiatrists licensed
24 by the Texas State Board of Podiatric Medical Examiners, and
25 chiropractors licensed by the Texas Board of Chiropractic Examiners
26 may form an association that is jointly owned by those
27 practitioners to perform a professional service that falls within

1 the scope of practice of those practitioners.

2 (3) Professionals, other than physicians, engaged in
3 related mental health fields such as psychology, clinical social
4 work, licensed professional counseling, and licensed marriage and
5 family therapy may form an association that is jointly owned by
6 those practitioners to perform professional services that fall
7 within the scope of practice of those practitioners.

8 (4) When doctors of medicine, osteopathy, [~~and~~]
9 podiatry, and chiropractic, or mental health professionals form an
10 association that is jointly owned by those practitioners, the
11 authority of each of the practitioners is limited by the scope of
12 practice of the respective practitioners and none can exercise
13 control over the other's clinical authority granted by their
14 respective licenses, either through agreements, bylaws,
15 directives, financial incentives, or other arrangements that would
16 assert control over treatment decisions made by the practitioner.
17 The state agencies exercising regulatory control over professions
18 to which this subdivision applies continue to exercise regulatory
19 authority over their respective licenses.

20 SECTION 3. Section A(3), Article 11.01, Texas Limited
21 Liability Company Act (Article 1528n, Vernon's Texas Civil
22 Statutes), is amended to read as follows:

23 (3) Doctors of medicine and osteopathy licensed by the
24 Texas State Board of Medical Examiners, [~~and~~] podiatrists licensed
25 by the Texas State Board of Podiatric Medical Examiners, and
26 chiropractors licensed by the Texas Board of Chiropractic Examiners
27 may organize a professional limited liability company that is

1 jointly owned by those practitioners to perform a professional
2 service that falls within the scope of practice of those
3 practitioners. When doctors of medicine, osteopathy, ~~[and]~~
4 podiatry, and chiropractic organize a professional limited
5 liability company that is jointly owned by those practitioners, the
6 authority of each of the practitioners is limited by the scope of
7 practice of the respective practitioners and none can exercise
8 control over the other's clinical authority granted by their
9 respective licenses, either through agreements, bylaws,
10 directives, financial incentives, or other arrangements that would
11 assert control over treatment decisions made by the practitioner.
12 The Texas State Board of Medical Examiners, ~~[and]~~ the Texas State
13 Board of Podiatric Medical Examiners, and the Texas Board of
14 Chiropractic Examiners continue to exercise regulatory authority
15 over their respective licenses.

16 SECTION 4. Section 2.02(e), Texas Revised Partnership Act
17 (Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended to
18 read as follows:

19 (e) Authority of Doctors of Medicine, ~~[and]~~ Osteopathy, and
20 Chiropractic, and Podiatrists to Create Partnership. Doctors of
21 medicine and osteopathy licensed by the Texas State Board of
22 Medical Examiners, ~~[and]~~ podiatrists licensed by the Texas State
23 Board of Podiatric Medical Examiners, and chiropractors licensed by
24 the Texas Board of Chiropractic Examiners may create a partnership
25 that is jointly owned by those practitioners to perform a
26 professional service that falls within the scope of practice of
27 those practitioners. When doctors of medicine, osteopathy, ~~[and]~~

1 podiatry, and chiropractic create a partnership that is jointly
2 owned by those practitioners, the authority of each of the
3 practitioners is limited by the scope of practice of the respective
4 practitioners and none can exercise control over the other's
5 clinical authority granted by their respective licenses, either
6 through agreements, bylaws, directives, financial incentives, or
7 other arrangements that would assert control over treatment
8 decisions made by the practitioner. The Texas State Board of
9 Medical Examiners, ~~[and]~~ the Texas State Board of Podiatric Medical
10 Examiners, and the Texas Board of Chiropractic Examiners continue
11 to exercise regulatory authority over their respective licenses.

12 SECTION 5. Section 22.056, Business Organizations Code, is
13 amended to read as follows:

14 Sec. 22.056. HEALTH ORGANIZATION CORPORATION. (a)
15 Doctors of medicine and osteopathy licensed by the Texas State
16 Board of Medical Examiners, ~~[and]~~ podiatrists licensed by the Texas
17 State Board of Podiatric Medical Examiners, and chiropractors
18 licensed by the Texas Board of Chiropractic Examiners may form a
19 corporation that is jointly owned, managed, and controlled by those
20 practitioners to perform a professional service that falls within
21 the scope of practice of those practitioners and consists of:

22 (1) carrying out research in the public interest in
23 medical science, medical economics, public health, sociology, or a
24 related field;

25 (2) supporting medical education in medical schools
26 through grants or scholarships;

27 (3) developing the capabilities of individuals or

1 institutions studying, teaching, or practicing medicine, including
2 podiatric medicine;

3 (4) delivering health care to the public; or

4 (5) instructing the public regarding medical science,
5 public health, hygiene, or a related matter.

6 (b) When doctors of medicine, osteopathy, ~~and~~ podiatry,
7 and chiropractic form a corporation that is jointly owned by those
8 practitioners, the authority of each of the practitioners is
9 limited by the scope of practice of the respective practitioners
10 and none can exercise control over the other's clinical authority
11 granted by their respective licenses, either through agreements,
12 the certificate of formation or bylaws of the corporation,
13 directives, financial incentives, or other arrangements that would
14 assert control over treatment decisions made by the practitioner.
15 The Texas State Board of Medical Examiners, ~~and~~ the Texas State
16 Board of Podiatric Medical Examiners, and the Texas Board of
17 Chiropractic Examiners continue to exercise regulatory authority
18 over their respective licenses.

19 SECTION 6. Section 152.055, Business Organizations Code, is
20 amended to read as follows:

21 Sec. 152.055. AUTHORITY OF CERTAIN PROFESSIONALS TO CREATE
22 PARTNERSHIP. (a) Persons licensed as doctors of medicine and
23 persons licensed as doctors of osteopathy by the Texas State Board
24 of Medical Examiners, ~~and~~ persons licensed as podiatrists by the
25 Texas State Board of Podiatric Medical Examiners, and persons
26 licensed as chiropractors by the Texas Board of Chiropractic
27 Examiners may create a partnership that is jointly owned by those

1 practitioners to perform a professional service that falls within
2 the scope of practice of those practitioners.

3 (b) When doctors of medicine, osteopathy, ~~[and]~~ podiatry,
4 and chiropractic create a partnership that is jointly owned by
5 those practitioners, the authority of each of the practitioners is
6 limited by the scope of practice of the respective practitioners
7 and none can exercise control over the other's clinical authority
8 granted by their respective licenses, either through agreements,
9 bylaws, directives, financial incentives, or other arrangements
10 that would assert control over treatment decisions made by the
11 practitioner.

12 (c) The Texas State Board of Medical Examiners, ~~[and]~~ the
13 Texas State Board of Podiatric Medical Examiners, and the Texas
14 Board of Chiropractic Examiners continue to exercise regulatory
15 authority over their respective licenses.

16 SECTION 7. Sections 301.012(a) and (f), Business
17 Organizations Code, are amended to read as follows:

18 (a) Persons licensed as doctors of medicine and persons
19 licensed as doctors of osteopathy by the Texas State Board of
20 Medical Examiners, ~~[and]~~ persons licensed as podiatrists by the
21 Texas State Board of Podiatric Medical Examiners, and persons
22 licensed as chiropractors by the Texas Board of Chiropractic
23 Examiners may jointly form and own a professional association or a
24 professional limited liability company to perform professional
25 services that fall within the scope of practice of those
26 practitioners.

27 (f) When doctors of medicine, osteopathy, ~~[and]~~ podiatry,

1 and chiropractic, or doctors of medicine, osteopathy, and optometry
2 or therapeutic optometry, or mental health professionals form a
3 professional entity as provided by Subsections (a), (b), and (c),
4 the authority of each of the practitioners is limited by the scope
5 of practice of the respective practitioners and none can exercise
6 control over the other's clinical authority granted by their
7 respective licenses, either through agreements, bylaws,
8 directives, financial incentives, or other arrangements that would
9 assert control over treatment decisions made by the practitioner.

10 SECTION 8. (a) Except as provided by Subsection (b) of this
11 section, this Act takes effect September 1, 2005.

12 (b) Sections 5, 6, and 7 of this Act take effect January 1,
13 2006.

79TH LEGISLATURE

COAUTHOR AUTHORIZATION

(please request your coauthors to sign this form in lieu of the front or the back of the original bill)

Bill or Resolution Number: HB 1395

[Signature] WILLIAM L. ZEDLER FEB 21 2005
signature of primary author printed name of primary author Date

PERMISSION TO SIGN HB 1395 HAS BEEN GIVEN TO (check only one of the following):
(bill or resolution #)
☒ ALL REPRESENTATIVES
☐ THE FOLLOWING REPRESENTATIVE(S): _____

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

<u>A2100 Allen, Alma</u>	<u> </u> Date	<u>A2435 Coleman</u>	<u> </u> Date	<u>A2800 Escobar</u>	<u> </u> Date
<u>A2115 Allen, Ray</u>	<u> </u> Date	<u>A2450 Cook, Byron</u>	<u> </u> Date	<u>A2795 Farabee</u>	<u> </u> Date
<u>A2125 Alonzo</u>	<u> </u> Date	<u>A2565 Cook, Robert "Robby"</u>	<u> </u> Date	<u>A2810 Farrar</u>	<u> </u> Date
<u>A2150 Anchia</u>	<u> </u> Date	<u>A2595 Corte</u>	<u> </u> Date	<u>A2840 Flores</u>	<u> </u> Date
<u>A2155 Anderson</u>	<u> </u> Date	<u>A2605 Crabb</u>	<u> </u> Date	<u>A2850 Flynn</u>	<u> </u> Date
<u>A2160 Bailey</u>	<u> </u> Date	<u>A2610 Craddick</u>	<u> </u> Date	<u>A2860 Frost</u>	<u> </u> Date
<u>A2170 Baxter</u>	<u> </u> Date	<u>A2640 Crownover</u>	<u> </u> Date	<u>A2920 Gallego</u>	<u> </u> Date
<u>A2205 Berman</u>	<u> </u> Date	<u>A2620 Davis, John</u>	<u> </u> Date	<u>A2960 Gattis</u>	<u> </u> Date
<u>A2220 Blake</u>	<u> </u> Date	<u>A2625 Davis, Yvonne</u>	<u> </u> Date	<u>A2945 Geren</u>	<u> </u> Date
<u>A2230 Bohac</u>	<u> </u> Date	<u>A2635 Dawson</u>	<u> </u> Date	<u>A2935 Giddings</u>	<u> </u> Date
<u>A2250 Bonnen</u>	<u> </u> Date	<u>A2680 Delisi</u>	<u> </u> Date	<u>A2910 Gonzales</u>	<u> </u> Date
<u>A2280 Branch</u>	<u> </u> Date	<u>A3385 Denny</u>	<u> </u> Date	<u>A4660 Gonzalez Toureilles</u>	<u> </u> Date
<u>A2265 Brown, Betty</u>	<u> </u> Date	<u>A2690 Deshotel</u>	<u> </u> Date	<u>A2985 Goodman</u>	<u> </u> Date
<u>A2270 Brown, Fred</u>	<u> </u> Date	<u>A2705 Driver</u>	<u> </u> Date	<u>A2990 Goolsby</u>	<u> </u> Date
<u>A2255 Burnam</u>	<u> </u> Date	<u>A2665 Dukes</u>	<u> </u> Date	<u>A3010 Griggs</u>	<u> </u> Date
<u>A2295 Callegari</u>	<u> </u> Date	<u>A2660 Dunnam</u>	<u> </u> Date	<u>A3020 Grusendorf</u>	<u> </u> Date
<u>A2290 Campbell</u>	<u> </u> Date	<u>A2650 Dutton</u>	<u> </u> Date	<u>A3045 Guillen</u>	<u> </u> Date
<u>A2490 Casteel</u>	<u> </u> Date	<u>A2770 Edwards</u>	<u> </u> Date	<u>A3035 Haggerty</u>	<u> </u> Date
<u>A2495 Castro</u>	<u> </u> Date	<u>A2775 Eiland</u>	<u> </u> Date	<u>A3050 Hamilton</u>	<u> </u> Date
<u>A2585 Chavez</u>	<u> </u> Date	<u>A2780 Eissler</u>	<u> </u> Date	<u>A2695 Hamric</u>	<u> </u> Date
<u>A2480 Chisum</u>	<u> </u> Date	<u>A2785 Elkins</u>	<u> </u> Date	<u>A3160 Hardcastle</u>	<u> </u> Date

A3165 Harper-Brown	Date	A3540 Laubenberg	Date	A4230 Quintanilla	Date
A3170 Hartnett	Date	A3560 Leibowitz	Date	A4215 Raymond	Date
A3190 Hegar	Date	A3620 Luna	Date	A4236 Reyna	Date
A3140 Herrero	Date	A3715 Madden	Date	A4220 Riddle	Date
A3250 Hilderbran	Date	A3780 Martinez	Date	A4250 Ritter	Date
A3275 Hill	Date	A2835 Martinez Fischer	Date	A4270 Rodriguez	Date
A3305 Hochberg	Date	A3665 McCall	Date	A4350 Rose	Date
A3290 Hodge	Date	A3650 McClendon	Date	A4420 Seaman	Date
A3325 Homer	Date	A3845 McReynolds	Date	A4525 Smith, Todd	Date
A3320 Hope	Date	A3830 Menendez	Date	A4540 Smith, Wayne	Date
A3330 Hopson	Date	A3840 Merritt	Date	A4530 Smithee	Date
A3315 Howard	Date	A3835 Miller	Date	A4550 Solis	Date
A3340 Hughes	Date	A3855 Moreno, Joe	Date	A4505 Solomons	Date
A3355 Hunter	Date	A3860 Moreno, Paul	Date	A4545 Strama	Date
A3360 Hupp	Date	A3870 Morrison	Date	A4570 Swinford	Date
A3375 Isett	Date	A3865 Mowery	Date	A4585 Talton	Date
A3350 Jackson	Date	A3885 Naishtat	Date	A4600 Taylor	Date
A3405 Jones, Delwin	Date	A3895 Nixon	Date	A4630 Thompson	Date
District 121	Date	A3900 Noriega	Date	A4650 Truitt	Date
A3400 Jones, Jesse	Date	A3880 Oliveira	Date	A4685 Turner	Date
A3475 Keel	Date	A3886 Olivo	Date	A4695 Uresti	Date
A3410 Keffer, Bill	Date	A3930 Orr	Date	A4700 Van Arsdale	Date
A3480 Keffer, Jim	Date	A3945 Otto	Date	A4725 Veasey	Date
A3470 King, Phil	Date	A4100 Paxton	Date	A4800 Villarreal	Date
A3465 King, Tracy	Date	A4140 Pena	Date	A4900 Vo	Date
A3495 Kolkhorst	Date	A4160 Phillips	Date	A4995 West	Date
A3485 Krusee	Date	A4180 Pickett	Date	A4985 Wong	Date
A3450 Kuempel	Date	A4185 Pitts	Date	A5005 Woolley	Date
A3510 Laney	Date	A4200 Puento	Date	A5150 Zedler	Date

H.B. No. 1395

**A BILL TO BE ENTITLED
AN ACT**

By

relating to the authority of chiropractors to form certain business entities with certain other professionals.

FEB 21 2005

Filed with the Chief Clerk

FEB 24 2005

Read first time and referred to Committee on

Public Health

Reported ____favorably (as amended)
(as substituted)

Sent to Committee on (Calendars)
(Local & Consent Calendars)

Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of _____ yeas, _____ nays, _____ present, not voting

Read third time (amended); finally passed (failed to pass) by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

Engrossed

Sent to Senate

CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

Received from the House

Read and referred to Committee on

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(_____ years, _____ nays)

Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(_____ yeas, _____ nays)

Senate and Constitutional 3 Day Rules suspended by a vote of _____ yeas, _____ nays

Read third time, _____, and passed by a (viva voce vote)
(_____ yeas, _____ nays)

Returned to the House

SECRETARY OF THE SENATE

OTHER SENATE ACTION:

_____ Returned from the Senate (as substituted)
(with amendments)

_____ House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ House conferees appointed: _____, Chair; _____,
_____, _____, _____

_____ Senate granted House request. Senate conferees appointed: _____, Chair;
_____, _____, _____

_____ Conference committee report adopted (rejected) by the House by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

_____ Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of _____ yeas, _____ nays)